

THE HONORABLE RICHARD JONES

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

LIBERTY MUTUAL INSURANCE  
COMPANY, a Massachusetts corporation,

Plaintiff,

v.

AIG SPECIALTY INSURANCE  
COMPANY f/k/a CHARTIS SPECIALTY  
INSURANCE COMPANY, a subsidiary of  
AMERICAN INTERNATIONAL GROUP,  
INC., a Delaware corporation,

Defendant.

Case No. 2:19-cv-00974-RAJ

ANSWER

COMES NOW defendant AIG Specialty Insurance Company (“ASIC”),<sup>1</sup> by and through its counsel of record Jensen Morse Baker PLLC, and for its answer and affirmative defenses hereby admits, denies, and alleges as follows:

**PARTIES**

1. Answering paragraph 1, ASIC lacks information sufficient to form a belief about the truth of the allegations, and therefore denies them.

2. Answering paragraph 2, ASIC admits that it is an indirect subsidiary of American International Group, Inc. Except as expressly admitted, ASIC lacks sufficient

<sup>1</sup> Plaintiff’s complaint names AIG Specialty Insurance Company as the party defendant, and appears to refer to AIG Specialty Insurance Company as “AIG.” To the extent “AIG” refers to any entity other than AIG Specialty Insurance Company, the allegations are denied.

1 information to form a belief about the truth of the allegations, and therefore denies them.

2 **JURISDICTION AND VENUE**

3 3. Answering paragraph 3, ASIC denies that it is a Delaware corporation  
4 headquartered in New York. In fact, ASIC is an Illinois corporation with its administrative  
5 headquarters in Illinois. ASIC lacks information sufficient to form a belief about the truth of the  
6 allegations regarding plaintiff's state of incorporation and headquarters, and therefore denies  
7 them. ASIC asserts that the remaining allegations contain legal conclusions to which no answer  
8 is required. To the extent an answer is deemed to be required, ASIC lacks sufficient  
9 information to form a belief about the truth of the allegations, and therefore denies them.  
10 Except as expressly admitted, ASIC denies the allegations.

11 4. Answering paragraph 4, ASIC admits that Liberty purports to seek damages in  
12 excess of \$75,000. Except as expressly admitted, ASIC denies the allegations.

13 5. Answering paragraph 5, ASIC asserts that the allegations contain legal  
14 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
15 ASIC lacks sufficient information to form a belief about the truth of the allegations, and  
16 therefore denies them.

17 **FACTUAL BACKGROUND**

18 6. Answering paragraph 6, ASIC lacks sufficient information to form a belief about  
19 the truth of the allegations, and therefore denies them.

20 7. Answering paragraph 7, ASIC lacks sufficient information to form a belief about  
21 the truth of the allegations, and therefore denies them.

22 8. Answering paragraph 8, ASIC lacks sufficient information to form a belief about  
23 the truth of the allegations, and therefore denies them.

24 9. Answering paragraph 9, ASIC admits that it issued a primary commercial  
25 general liability and professional liability insurance policy to the named insured Performance  
26 Abatement Services (the "ASIC Policy"). ASIC further admits that the ASIC Policy speaks for  
27 itself, and denies the allegations to the extent they are inconsistent with the ASIC Policy.

ANSWER - 2

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1 Except as expressly admitted, ASIC denies the allegations.

2 10. Answering paragraph 10, ASIC lacks information sufficient to form a belief  
3 about the truth of the allegations, and therefore denies them.

4 11. Answering paragraph 11, ASIC lacks information sufficient to form a belief  
5 about the truth of the allegations that plaintiff accepted liability, and therefore denies those  
6 allegations. ASIC asserts that the remaining allegations contain legal conclusions to which no  
7 answer is required. To the extent an answer is deemed to be required, ASIC responds that it  
8 agreed to provide insurance coverage to Boeing consistent with the terms and conditions of the  
9 ASIC Policy. Except as expressly admitted, ASIC denies the allegations.

10 12. Answering paragraph 12, ASIC admits that King County Case No. 14-2-09457-  
11 4, *Mendoza v. The Boeing Company and Turner Construction Company*, was settled pursuant  
12 to a confidential settlement. The amount of the settlement is confidential. Except as expressly  
13 admitted, ASIC denies that allegations.

14 13. Answering paragraph 13, ASIC admits that the settlement agreement speaks for  
15 itself, and denies the allegations to the extent they are inconsistent with the settlement  
16 agreement. ASIC lacks information sufficient to form a belief about the truth of the allegation  
17 that \$250,000 is the policy limit of Liberty Mutual's primary policy. Except as expressly  
18 admitted, ASIC denies the allegations.

19 14. Answering paragraph 14, ASIC admits that the settlement agreement speaks for  
20 itself, and denies the allegations to the extent they are inconsistent with the settlement  
21 agreement.

22 15. Answering paragraph 15, ASIC denies the allegations.

23 16. Answering paragraph 16, ASIC admits that it paid \$300,000 in connection with  
24 the confidential settlement. Except as expressly admitted, ASIC denies the allegations.

25 17. Answering paragraph 17, ASIC denies the allegations.

26 18. Answering paragraph 18, ASIC lacks information sufficient to form a belief  
27 about the truth of the allegations, and therefore denies them.

ANSWER - 3

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1           19.     Answering paragraph 19, ASIC lacks information sufficient to form a belief  
2 about the truth of the allegations, and therefore denies them.

3           20.     Answering paragraph 20, ASIC admits that the ASIC Policy speaks for itself,  
4 and denies the allegations to the extent they are inconsistent with the ASIC Policy. Except as  
5 expressly admitted, ASIC denies the allegations.

6                               **FIRST CLAIM FOR RELIEF**

7                                       **(Subrogation)**

8           21.     Answering paragraph 21, ASIC incorporates by reference its responses to the  
9 preceding paragraphs as though fully set forth herein.

10          22.     Answering paragraph 22, ASIC asserts that the allegations contain legal  
11 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
12 ASIC denies the allegations.

13          23.     Answering paragraph 23, ASIC asserts that the allegations contain legal  
14 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
15 ASIC denies the allegations.

16          24.     Answering paragraph 24, ASIC asserts that the allegations contain legal  
17 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
18 ASIC denies the allegations.

19                               **SECOND CLAIM FOR RELIEF**

20                                       **(Contribution)**

21          25.     Answering paragraph 25, ASIC incorporates by reference its responses to the  
22 preceding paragraphs as though fully set forth herein.

23          26.     Answering paragraph 26, ASIC asserts that the allegations contain legal  
24 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
25 ASIC denies the allegations.

26          27.     Answering paragraph 27, ASIC asserts that the allegations contain legal  
27 conclusions to which no answer is required. To the extent an answer is deemed to be required,

1 ASIC denies the allegations.

2 28. Answering paragraph 28, ASIC asserts that the allegations contain legal  
3 conclusions to which no answer is required. To the extent an answer is deemed to be required,  
4 ASIC denies the allegations.

5 **PRAYER FOR RELIEF**

6 Answering plaintiff's prayer for relief, ASIC denies that plaintiff is entitled to the relief  
7 requested therein.

8 **AFFIRMATIVE DEFENSES**

9 1. The complaint fails to state a claim upon which relief can be granted, wholly or  
10 in part.

11 2. Plaintiff's claims are barred by the doctrine(s) of waiver, estoppel, or laches.

12 3. Plaintiff's claims are barred by the doctrine of unclean hands.

13 4. Plaintiff's claims are barred, either in whole or in part, by virtue of the various  
14 provisions, exclusions, definitions, terms, conditions, endorsements and limitations of the ASIC  
15 Policy. ASIC reserves the right to rely upon any and all provisions and terms of the ASIC  
16 Policy in its defense of this matter.

17 5. Plaintiff's claims are barred, in whole or in part, to the extent the proximate  
18 cause of the damages, if any, sustained by plaintiff was the negligence, fault, acts or omissions  
19 of entities other than ASIC.

20 6. Plaintiff's claims and/or damages are barred, in whole or in part, based on its  
21 contributory fault, and/or failure to mitigate its damages (if any), and/or its lack of good faith.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, having fully answered the allegations of plaintiff's complaint, and  
24 having denied that plaintiff is entitled to the relief requested in its complaint, and having  
25 asserted affirmative defenses, ASIC prays that the Court:

26 1. Dismiss plaintiff's causes of action against it with prejudice;

27 2. Award ASIC its costs and expenses herein incurred and expended; and

ANSWER - 5

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1           3.       Award such other and further relief as the Court deems just and equitable.  
2

3           DATED: August 23, 2019  
4

5                                   JENSEN MORSE BAKER PLLC  
6

7                                   By s/ Gabriel Baker  
8                                   Gabriel Baker, WSBA No. 28473  
9                                   Benjamin J. Roesch, WSBA No. 39960  
10

11                                   Attorneys for Defendant AIG Specialty Insurance  
12                                   Company  
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**CERTIFICATE OF SERVICE**

Pursuant to RCW 9A.72.085, the undersigned certifies, under penalty of perjury under the laws of the State of Washington, that on the 23<sup>rd</sup> day of August, 2019, the document attached hereto was delivered to the below counsel in the manner indicated.

A. Troy Hunter  
Ryan Chandler Sobotka  
Issaquah Law Group  
410 Newport Way NW  
Suite C  
Issaquah, WA 98027

- ☒ by CM/ECF
- ☐ by Electronic Mail
- ☐ by Facsimile Transmission
- ☐ by First Class Mail
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- ☐ by First Class Mail
- ☐ by Hand Delivery
- ☐ by Overnight Delivery

DATED this 23<sup>rd</sup> day of August, 2019.

By /s/ Gabriel Baker  
Gabriel Baker